

U.S. Department of Transportation
Alternative Fuel Vehicle Acquisition Report for Fiscal Year 2004 (FY 04)

Authority

This report has been developed in accordance with the Energy Policy Act of 1992 (EPACT) (42 U.S.C. 13211-13219) as amended by the Energy Conservation Reauthorization Act of 1998 (Public Law 105-388) (ECRA), and Executive Order 13149, titled "Greening the Government through Transportation and Fleet Efficiency (E.O. 13149)."

Legislative Requirements

The Energy Policy Act of 1992 (EPACT) - requires that 75 percent of all covered light-duty vehicles acquired for Federal fleets in FY 99 and beyond must be alternative fuel vehicles (AFV) (where the fleets have 20 or more vehicles, are capable of being centrally fueled, and are operated in a metropolitan statistical area with a population of more than 250,000 based on the 1980 census). Emergency, law enforcement, and national defense vehicles are exempt from these requirements. EPACT also sets a goal of using replacement fuels to displace at least 30 percent of the projected consumption of motor fuel in the United States annually by the year 2010.

The Energy Conservation and Reauthorization Act of 1998 (ECRA) - amended EPACT to allow one alternative fuel vehicle acquisition credit for every 450 gallons of pure biodiesel fuel consumed in vehicles over 8,500 pounds gross vehicle weight rating. "Biodiesel credits" may fulfill up to 50 percent of an agency's EPACT requirements. In addition, Federal agencies must prepare and submit a report to Congress outlining the agency's AFV acquisitions and future plans each year for 14 years.

Executive Order 13149 (2000), Greening the Government through Federal Fleet and Transportation Efficiency (E.O. 13149) - directs Federal agencies operating a fleet of 20 or more vehicles within the United States to reduce their annual petroleum consumption by at least 20 percent by the end of FY 05 (compared to FY 99 levels) by using alternative fuels in AFVs more than 50 percent of the time, improving the average fuel economy of new light-duty petroleum-fueled vehicle acquisitions by one mile per gallon (mpg) by FY 02 and 3 mpg by FY 05, and using other fleet efficiency measures.

DOT's FY 04 AFV Acquisitions

Table 1 lists DOT's FY 04 AFV acquisitions.

Table 1: DOT's FY 04 AFV Acquisitions

Fiscal Year	Vehicle Acquisitions	Covered Acquisitions	AFV Acquisitions	AFV Percentage of Covered Acquisitions
FY 04	1022	753	217	29

During the FY 04 vehicle procurement cycle, DOT acquired 219 alternative fuel vehicles (AFVs). While DOT acquired AFVs in FY 04, it did not meet the 75 percent AFV-acquisition requirement; DOT acquired 29 percent of the required 75 percent. This shortfall is due to several factors, including:

- DOT's special vehicle requirements
- Limited AFV Availability from the automotive manufacturers
- Limited AFV infrastructure support (refueling and maintenance)

The majority of DOT's missions involve transportation safety. For example, DOT operates a large number of light trucks that are specially equipped and outfitted for safety inspection missions or maintenance of facilities in remote locations. Because of their special configurations, it is difficult to utilize AFVs in these applications, and there has been a limited number of products available in this vehicle class. Also, the AFV refueling and maintenance infrastructure remains inadequate; there are only a small number of AFV refueling stations, and the number of certified AFV dealerships is even less. These factors severely limit DOT's opportunities to acquire and operate AFVs.

DOT's FY 04 Vehicle Fuel Use

Reduction in Fuel Consumption - DOT has been making progress in reducing its fleet's petroleum consumption. By decreasing the vehicle miles traveled and increasing the average fleet miles per gallon (mpg) from 24 to 26.4 mpg (compared to our FY 99 baseline), DOT has reduced its total fleet petroleum consumption by 13.2%.

Alternative Fuel Use - Currently, DOT cannot accurately report its alternative fuel use due to data capture issues in the fleet card industry. Fuel providers, credit card processors and credit card companies do not use the same product codes for alternative fuels. Product codes are used to identify the type of fuel being purchased; e.g. unleaded gasoline, diesel, gasohol, ethanol, etc. In most cases, the alternative fuel product codes (when they exist) cannot be forwarded through the fleet card industry's electronic network.

For example, there are various product code derivatives for ethanol fuel, such as E85 (85% ethanol), E10 (10% ethanol), oxygenated fuels, etc. These multiple product codes cause inaccurate reporting; for example, fuels that contain small blends of ethanol and are not defined by EPACT as an alternative fuel (e.g., E10 or oxygenated fuels) are sometimes inaccurately reported as E85.

Table 2 presents DOT's FY 04 reported vehicle fuel use data.

Table 2: DOT Fuel Use in FY 04 (Reported)

Fuel Type	Quantity	Unit
Gasoline	4,155,108	Gallons
E-85	74,746	Gallons
Diesel	250,425	Gallons
CNG	3,042	Gasoline gallon equivalent
B20	0	N/A
M-85 Methanol	0	N/A
Total	4,483,321	Gallons
FY 99 Baseline	5,075,672*	Gallons
Reduction	-592,351 (-11.7%)*	Gallons

*Adjusted for transfer of U.S. Coast Guard and Transportation Security Administration to the Department of Homeland Security.

DOT's EPACT and E.O. 13149 Compliance Strategy

To achieve compliance with the legislative mandates of EPACT and E.O. 13149, DOT's goal is to acquire 75 percent of new light-duty vehicles as AFVs, and use alternative fuel in these vehicles the majority of the time. DOT will pay for the incremental cost of AFVs acquired through the GSA Fleet Lease Program by using the new AFV monthly rate option. DOT will also acquire the most fuel-efficient vehicles whenever possible.

Key Initiatives - In order to meet the requirements, DOT is working on several fleet initiatives as part of our comprehensive compliance strategy. DOT's key initiatives are:

- Participate in the AFV USER Program
- Concentrate AFVs in centralized fleets
- Acquire fuel efficient vehicles

Future Year AFV Procurement Planning

DOT's vehicle inventory, acquisitions, and fuel consumption was substantially reduced due to the Coast Guard and the Transportation Security Administration's transition to the Department of Homeland Security. In order to effectively plan

our future AFV compliance strategy, our petroleum consumption baseline has been adjusted, in coordination with the Department of Homeland Security and approval of The Department of Energy and the General Services Administration. To ensure that AFV use alternative fuels the majority of the time, assignment of AFVs will be emphasized where supporting infrastructure exists or is planned.